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2. **THAILAND:** Reported Communist plans to incite Chinese--
US Minister Rankin in Taipei transmits a "probably true"
report from the Chinese Nationalist Foreign Office that
Communist agents in Bangkok have decided on plans to
incite the Chinese in Thailand against the Thai Government,
using up to US \$1 million for such purposes. According to
source, part of this sum is to be used to bribe members of
the Thai Parliament to vote for a bill now in draft form,
which would require all aliens to leave certain designated
areas within 60 days of passage of the bill; these areas are

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important economic centers where many Chinese are concentrated. The Nationalist Government believes the Communists see an opportunity here to cause disturbances by inciting the Chinese to "rebel at the gross injustice" of the Thai authorities.

NEAR EAST-AFRICA

2. FRENCH MOROCCO: Situation tense--US Minister Plitt in Tangier reports that the situation in French Morocco is becoming increasingly tense as a result of the impasse between French Resident General Juin and the Sultan of French Morocco over the question of the Sultan's relations with the Nationalist political movement. A French official has confidentially informed Plitt that Juin has demanded that the Sultan denounce the Nationalists and dismiss certain court personnel who are "inimical to French interests." This official denied that an ultimatum had been given, requiring the Sultan to abdicate, and expressed the belief that the Sultan would accede to Juin's terms. Plitt envisages "no good" in the present situation and says that if it is permitted to worsen, the US position and military program in Morocco may be seriously prejudiced.

Meanwhile, US Consul McBride in Rabat reports he has received confirmation from official French sources that the French are considering the possibility of replacing the Sultan unless a change in his attitude toward the Nationalists occurs rapidly.

3. ISRAEL: Soviet displeasure with Israelis--According to US Embassy Moscow, the French Embassy in Tel Aviv has reported that the recent Soviet demarche to the Israeli Government asked for an explanation of Israel's orientation towards

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the West and accused the Israeli Government of having already contracted military and political ties with Western bloc countries, including Turkey. The Israeli Foreign Minister reportedly replied that Israel is still pursuing its non-aligning policy and had contracted no such ties. In its report, the French Embassy commented that the two-month delay in Soviet acceptance of the Israeli Minister-Designate is another sign of Soviet displeasure with the Israelis.

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